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ACTIVITIES OF THE ECONOMIC COMMISSION FOR EUROPE TO IMPLEMENT THE PERTINENT PROVISIONS OF THE FINAL ACT OF THE CONFERENCE ON SECURITY AND CO-OPERATION IN EUROPE (CSCE) AND OTHER CSCE DOCUMENTS, INCLUDING THE CHARTER OF PARIS FOR A NEW EUROPE

Report by the Executive Secretary

1. The participating States at the CSCE Vienna Meeting 1986 reaffirmed the important role of the ECE in fostering regional economic co-operation and in contributing to the implementation of the provisions of the Final Act and subsequent CSCE documents. They expressed their readiness to make further use of the existing framework, resources and experience of the ECE in areas which are of significance for the implementation of the recomendations of the CSCE.

2. Three CSCE follow-up meetings have been held since the Vienna Meeting; on the Protection of the Environment (Sofia, Bulgaria, November 1989); on Economic Co-operation in Europe (Bonn, Germany, April 1990); and on the Mediterranean (Palma de Mallorca, Spain, September/October 1990). The ECE secretariat participated in and contributed to all of them.

3. For the first time two of these meetings were devoted to problems in the so-called "second-basket", namely the Sofia Meeting and the Bonn Conference. The Meeting on the Mediterranean considered inter alia ways of enhancing co-operation on the protection and improvement of Mediterranean ecosystems.

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4. The concluding Documents of these meetings provided new impetus to ECE's activities. The Sofia Meeting gave support to regional co-operation through the ECE, particularly regarding industrial accidents and transboundary waters. The Bonn Conference confirmed the intentions of the participating States to shape a new order of peace, stability and prosperity in Europe and reaffirmed the important role of the ECE in promoting economic co-operation in its field of competence. The Palma Meeting emphasized the important role of ECE in fostering regional and subregional multilateral co-operation, especially in the field of the environment, tourism, transport and statistics.

5. The CSCE Summit Meeting held in Paris (France) in November 1990 recognized ECE activities in the fields of economics and the environment. The Charter of Paris for a New Europe maps out guidelines for the future of the European continent which are also relevant to the role of ECE and other international economic organizations under radically changed conditions in Europe. Under the heading "Economic Co-operation", the Charter reiterates that the ECE and other international organizations have a significant role in promoting economic co-operation and invites them to co-ordinate their activities. For the first time a separate section of a CSCE document was devoted to the environment.

6. The secretariat has outlined below on-going and envisaged activities of relevance to the above-mentioned CSCE Documents.

Trade and industrial co-operation

7. The Committee on the Development of Trade examines, at regular intervals, means of promoting trade and diversifying its structure. A study was prepared on measures providing favourable commercial treatment to member countries of the ECE region which are developing from the economic point of view. In 1991 the secretariat will supplement this study by examining the possibilities of stimulating bilateral and other trade and investment relations between those countries and the reforming countries of eastern Europe.

8. At the Vienna Meeting, the participating States recognized the valuable role of the ECE in dealing with questions related to compensation transactions. The secretariat prepared a study on compensation trade, concentrating in the first stage on the problems encountered by small and medium-sized enterprises (SMEs) in this field. A Guide on International Counterpurchase Contracts and a Guide on International Buy-back Contracts have been published.

9. At the Vienna Meeting the participating States agreed to encourage co-operation between their statistical services and within the framework of the ECE in order, inter alia, to facilitate the identification of disparities in foreign trade statistics and to improve the international comparability of such statistics. The Bonn Conference, which was attended also by representatives of the business community, stressed the need to make available comprehensive, comparable and timely economic, commercial and demographic information as a basis for economic research, co-operation and efficient conduct of business relations. In November 1990, an ECE meeting of experts was held to discuss disparities of foreign trade statistics and the improvement of the international comparability of such statistics.

10. The growing importance of services in international trade and economic development was noted by the Vienna Meeting. In 1990 a note on the efforts required by ECE member countries to extend and improve the existing database on east-west service transactions was submitted to the Committee and in 1991 it will be supplemented by a study of the most urgent improvements and extensions required. A Seminar on Personal and Collective Services was held in October 1990 by the Senior Economic Advisers.

11. At the Bonn Conference, the participating States agreed to foster a favourable climate for investment and different forms of industrial co-operation, notably by concluding bilateral and multilateral arrangements for investment promotion and protection. They recognized the importance of comprehensive information on all legal provisions of host countries for foreign investment, joint ventures and other forms of co-operation, including those concerning foreign staff. An ECE Meeting of Experts on East-West Joint Ventures was held in March 1989 and a workshop on the management of joint ventures organized by the Federal Economic Chamber of Austria will be held in May 1991.

12. In 1990, a study was prepared on the conditions for promoting foreign direct investment, including special economic zones, joint ventures and other forms of industrial co-operation in the ECE region. In 1991, this study will be extended to include linkages with problems of privatization and restructuring of ownership, as well as obstacles to investment flows such as policy barriers and inconvertibility of currencies. The Register of long-term agreements on economic co-operation and trade between ECE member countries, prepared in 1990, contained also a list of agreements on investment promotion and protection and on avoidance of double taxation in force by mid-August 1990.

13. The Bonn Conference recognized the particular importance of SMEs in economic co-operation and decided to pay special attention to the creation of a competitive business environment conducive to their development. The study mentioned in paragraph 12 above will cover the appropriate economic, legal, banking and fiscal conditions referred to by the Bonn Conference.

14. The Bonn Conference confirmed the importance of marketing and product promotion as a means of developing trade and industrial and economic co-operation. The holding of a workshop on this topic in Malta in 1992 is being considered.

15. Standardization is another area where the CSCE participating States have agreed to "promote co-operation among relevant national bodies and within international organizations including the ECE". In connection with the economic reforms in central and east European countries, new standardization principles and practices will have to be established in these countries and the related activities such as conformity assessment and metrology reorganized. The programme of work of the Working Party on Standardization Policies has been revised to provide scope for practical steps to assist ECE countries in transition, e.g. a workshop to be held in September 1991 in Romania.

16. The trade facilitation activities of the ECE, of which the EDIFACT project is the most recent example, continues to have general support and encouragement from the Governments of the CSCE participating States. At the

Bonn Conference they explicitly stressed the importance of trade facilitation and electronic data interchange for their trade relations.

Science and Technology

17. The Vienna and Bonn Meetings, as well as the Paris Summit, emphasized the importance of co-operation in science and technology. The Senior Advisers on Science and Technology continue to be the focal point in ECE for the exchange of information on current developments in national science and technology policies, priorities and institutions. A Seminar on the Role of Forecasting in the Formulation of Science and Technology Policies was held in October 1990.

18. The Vienna Meeting considered it desirable to enhance the exchange of information on laws and regulations relating to safety aspects of genetic engineering and on safety guidelines. The Senior Advisers have assumed responsibility for the inventory of safety guidelines in biotechnology and in 1990 18 monographs of such safety guidelines submitted by Governments were issued. In September 1990 the Senior Advisers discussed the economic and social impact of biotechnology.

Environment

19. The Sofia Meeting agreed upon concrete proposals for enhanced co-operation on the environment. This Meeting gave new impetus to regional co-operation through ECE, particularly regarding industrial accidents and transboundary waters. In the light of the outcome of the Vienna and Sofia Meetings a Convention on Transboundary Impacts of Industrial Accidents and a Convention on the Protection and Use of Transboundary Watercourses and International Lakes are now being elaborated. These Conventions are expected to be finalized for adoption and signature in early 1992. In the Report of the Palma Meeting it is noted that elaboration of such legal instruments within the framework of the ECE could supplement and enhance the effectiveness of the arrangements set up by the Protocol for the Protection of the Mediterranean Sea against Pollution from Land-based Sources. The Working Party on the Chemical Industry has nearly completed a study on substitutes for tripolyphosphates in detergents which are a source of considerable pollution to lakes and rivers as well as bodies of water close to shorelines.

20. The participating States at the Palma Meeting agreed to reinforce, in accordance with the Convention on Long-range Transboundary Air Pollution (LRTAP) co-operative activities on air quality problems, including those associated with photo-chemical ozone and other secondary pollutants. It was proposed that the experience of the ECE and other relevant organizations and institutions should be utilized in the setting up of a co-ordinated information system on the state of the environment and natural resources as well as in promoting exchange of information in the Mediterranean area.

21. The Charter of Paris welcomed the operational activities, studies and policy reviews in various existing international organizations engaged in the protection of the environment, such as UNEP, ECE and OECD and emphasized the need to strengthen their co-operation and their efficient co-ordination. In line with the Charter of Paris for a New Europe and its declaration related to public awareness, the Senior Advisers on Environmental and Water Problems are considering the preparation of a Charter on Environmental Rights and Obligations.

22. In November 1990 the Executive Body for the Convention on LRTAP asked the Working Group on Abatement Strategies to prepare a draft protocol for further reduction of sulphur emissions after 1993. European maps on critical loads for total acidity and sulphur and their exceedances will be made available in 1991. Task forces have been established to address emissions of heavy metals and persistent organic pollutants.

23. In the Report of the Palma Meeting, a special section was devoted to recycling of waste water. It was indicated that the Mediterranean countries should take measures to ensure the best possible use of available water resources and to step up the recycling of waste water. The Working Party on the Chemical Industry has completed a study on the rational use of water and its treatment in the chemical industry.

24. In the light of the common understanding reached at the Sofia Meeting and the Paris Summit, the Senior Advisers on Environmental and Water Problems, in co-operation with OECD, are promoting regional co-operation for the management of hazardous chemicals.

Energy

25. The participating States at the Bonn Conference considered that they should extend and deepen their co-operation in the field of energy and raw-materials-saving techniques and would also co-operate bilaterally and multilaterally in the field of hydrocarbon technologies, solid fuels and renewable energies and processes for the separation of waste components and their recyling.

26. At the Palma Meeting, the participating States encouraged the exchange of information and regional co-operation in the field of solar and wind energy.

27. The Charter of Paris, under the heading "Economic Co-operation" notes that the participating States "are determined to give the necessary impetus to co-operation among States in the field of energy... and welcome in particular practical steps to create optimal conditions for the economic and rational use of energy resources, with due regard to environmental considerations".

28. The UNDP/ECE Projects on Solar Applications and Efficient Building Design and on International Co-operative Research on Low-Calorie Solid Fuel Technologies are relevant in this context. A Seminar on Solar Power Systems will be held in Alushta, near Yalta (USSR) in April 1991.

29. The Project on Energy Efficiency 2000, which resulted from the Bergen Conference on the Follow-up to the Report of the WCED was adopted by the Senior Advisers on Energy. An ad hoc meeting on the modalities of the implementation of this Project which is designed to reduce the energy gap between ECE member countries, was held in January 1991.

30. A consultation on the Market Adaption of the Coal Industry, Structures and Management Systems in Central and Eastern Europe was held in both Prague and Paris in June 1990. A briefing and consultation on the Romanian Electric Power Situation, Perspectives and Investment Needs was organized in Iassi (Romania) in November 1990. A study entitled "Energy Reforms in Central and Eastern Europe - the First Year" was published.

Statistics

31. The Conference of European Statisticians is focusing on transition, integration and development projects in the light of the relevant provisions of the Vienna Meeting, the Bonn Conference and the Paris Summit. A number of workshops and consultations for national statistical offices in transition countries have been organized in collaboration with the World Bank, the IMF and the OECD and with statistical experts in market economy countries. Advice is provided for projects elaborated by national statistical offices in transition countries.

32. The Palma Meeting expressed the view that a meeting of statistical offices of the Mediterranean countries could be convened by an appropriate institution, such as the Conference of European Statisticians, to discuss harmonization of statistical methods and to consider possible assistance in the field of statistics. This suggestion will be brought to the attention of the Conference at its 1991 plenary session.

33. In the Vienna Concluding Document, the participating States expressed their intention to exchange appropriate information in specific fields of engineering industries and automation and to this end, to develop statistics in fields of engineering industries of commercial importance. In 1990, further work was undertaken to harmonize the joint ECE/OECD collection of statistical data.

Transport

34. In the Vienna Concluding Document the participating States recognized the important role of transport in economic and social development. They explicitly welcome the work done by ECE in this respect. While agreeing that the elaboration of measures to increase efficiency in the field of transport should be encouraged, the participating States recognized the need to take into account the consequences of such measures for the environment affecting, in particular human health, safety and the quality of life in general. An ECE Seminar on Traffic Safety is being planned for 1992.

35. Particular attention is drawn in the Vienna Concluding Document to questions of multimodal transport networks, combined transport, transit flows and the simplification of transport documents. Since ECE is already active in transport safety, vehicle noise and pollution control, these provisions can be seen as a confirmation of Governments' interest in these areas and support for ECE's work.

36. The Palma Meeting emphasized the importance of a rational development of transport infrastructure and the usefulness of the analysis of the current and potential transport flows. They noted the fruitful work of the ECE and UNDP and the appropriateness of continuing this activity.

Co-operation in other areas

37. Work is underway in ECE in other areas of co-operation identified in the Vienna Concluding Document and the Charter of Paris. Research is being conducted on the economic importance of tourism, the problem of migrant workers and their families and vocational training.

38. A Symposium on Planning for Sustainable Tourism Development will be organized in Luxembourg in October 1991 by the Committee on Housing, Building and Planning. The Senior Advisers on Environmental and Water Problems and the Inland Transport Committee have been invited to co-operate in this work, and the project is being implemented in close co-operation with the secretariat of the World Tourism Organization (WTO). Follow-up meetings will be held in the United Kingdom (1991), France (1993), and Hungary (1993).

39. In the Bonn Concluding Document, participating States recognized the importance of town planning in redressing urban problems caused by substantial deterioration in the quality of life, as well as ensuring the possibility of citizens to freely take part in economic, political, social and cultural life. The Committee on Housing, Building and Planning will address the problems of urban ecology at the Seventh Conference on Urban and Regional Research in 1992. The Committee also initiated projects on planning aspects in transition countries and with respect to human settlements sustainable development.

40. The Bonn Concluding Document affirmed the importance of co-operation in agro-industry and food-processing. The Working Party on Engineering Industries and Automation is finalizing a study of food-processing machinery, including packaging techniques.

41. The general principles and provisions of all the CSCE Documents are relevant to many of the activities of the Committees on Agricultural Problems and Timber. Examples may also be cited of activities relevant to the conclusions of the Palma Meeting, e.g.:

- as a technical contribution to efforts to combat soil erosion and desertification a study on "Afforestation Techniques in Mediterranean Countries" was published in 1990;

- various activities are being undertaken in the field of forest fire prevention and control. Statistics on forest fires are collected and disseminated regularly; the International Forest Fire News is issued twice yearly and circulated to a steadily widening readership. In autumn 1991 a seminar will be held in Greece on forest fire, land use and people, aimed at finding solutions to the socio-economic factors associated with the incidence of forest fires, especially in Mediterranean countries.